

THE FARMER AND MECHANIC

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THE FARMER AND MECHANIC,
Raleigh, N. C.

TUESDAY, August 4, 1903.

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UTILIZING WASTE PRODUCTS.

We printed last week a story of the Boston chemist who has learned to extract sugar from saw dust. If the man who tried to feed his goat on saw dust and the woman who thought saw dust a good diet for chickens had lived today they might be regarded as scientists of the first water instead of economical fools. They only needed the chemical knowledge to extract the sugar to make saw dust a valuable article of diet.

A few weeks ago we printed an interview with Thomas Dixon, Jr., about the wonderful new method of extracting turpentine by which old stumps and the refuse of saw mills bid fair to become as great an adjunct to lumber as the cotton seed have come to be to the cotton crop. And it is yet in its infancy, though it has been demonstrated to be both practical and profitable.

The Savannah Morning News gives other illustrations of how chemistry is daily making waste products valuable, putting to shame the dreams of the old time alchemists. It says:

"It has been only a few years since coal tar was looked on not only as a waste product but as an abominable nuisance; now it is one of the most valued of products of the gas-making plant. The chemists have taken hold of it and made literally a hundred or more by-products from it, ranging from paints to flavoring extracts served at the soda fountains. Many of the new medicinal powders are coal tar extracts. And so it is with the cotton seed, formerly thrown away by the farmer. Today the seed is no small part of the cotton crop in value, giving oil, meal and cake as direct products, and soap, cooking fats, salad oil and other articles as collateral products. Corn oil is a new product that has given excellent results and is full of possibilities. It is believed that it will yet be made to yield the much wanted substitute for rubber. Gum shoes and other articles are already being made from it. Wood alcohol is being made from sawdust in Germany, and the alcohol is being employed for the generation of power. What prospects there are in this particular matter in the immense sawdust piles of the United States!

"These are only a few of the waste products that have been turned to account, and good account, by the chemists. There are many more in their class—the bagasse of the cane plantations, the cotton stalks of the Southern fields, the reeds of the vast marshes, the shavings of the wood-working mills, etc. There are possibilities in all of these things. It has been said that by means of chemistry the big packers of the West have been enabled to utilize every part of a hog except the grunt. And so it will be in other lines."

What is the best fish that swims? That seems to be the question that is now agitating the public mind, the West clamoring for mountain trout and the East for Spanish mackerel. We enter the Rhamkatte cat-fish in the contest and are prepared to back it up.—Rhamkatte Roaster.

About the strongest argument against asset and other like wild-cat currency is the failure of the Doyleston, Pa. bank. Its stock had been worth \$165 and only \$33 had been paid on it. Permit "asset" currency and such banks will spring up like magic.

The Charlotte News seconds the motion that North Carolina put statues of Nathaniel Bacon and Zebulon Vance in the rotunda at Washington. They were easily the two first North Carolinians and both had a first name that is a mouthful.

WHAT IS THE TRUE VALUE IN MONEY OF THE SOUTHERN RAILWAY?

What is the "true value in money" of the Southern Railway property in North Carolina? It is easy to answer that question, for the testimony and evidence is at hand.

It pays tax on an assessment of \$12,275 per mile—an assessment made several years ago under an old and defective law. The sales of stocks and bonds of the Southern Railway show that the investing public is paying in cash upon the basis of \$32,235 per mile.

A few months ago the business men of Danville, Va., brought an action in the Federal Court to compel the Southern Railway to reduce its freight charges. Answering the Danville merchants the Southern Railway officials made affidavit that they could not reduce the freight rates and be permitted to earn dividends upon their investment. In the trial the railroad produced much evidence in support of their contention and Judge Boyd held that the Danville people could not compel a reduction of freight rates. His decision was based upon the contention of the Southern that it was compelled to charge the higher rate in order to make a fair income on the money invested. How much is the road worth? That question became one of the highest importance and the Southern Railway brought dozens of railroad officials from all over the country to testify as to its value. Every one of them testified that it was worth not less than \$10,000 a mile. And yet it is assessed for taxation at \$12,275 per mile! That is another way of stating that it is compelling all the tax-payers of North Carolina to pay more tax in order that it may shirk taxes on about two-thirds of the true value of its property.

Fortunately, in order to arrive at the "true value in money" of the Southern Railway the Corporation Commission, not only has the record of the stock market and the report of earnings, but as a side-light it has the sworn testimony of Mr. Josiah F. Hill, Secretary of the Southern Railway. In September, 1902, he made oath to this statement:

"IN MY JUDGMENT \$10,000 PER MILE WOULD BE AN ESTIMATE OR JUDGMENT. IT WOULD PROBABLY EXCEED \$10,000 RATHER THAN GO UNDER THAT AMOUNT."

For four years the Southern Railway has been paying taxes to North Carolina upon one-third of its true valuation if Mr. Hill, the Secretary of the Southern Railway Company, did not swear falsely in the United States Circuit Court in a case where Danville shippers complained of excessive freight charges.

Now let us have the sworn testimony of Mr. J. M. Culp, Fourth Vice-President of the Southern Railway. In answer to a question as to "the value of the Southern Railway per mile of road," he made oath to this statement: "Well, I SHOULD SAY NOT LESS THAN \$50,000 PER MILE." Asked as to the true cost and value compared with the average of all the railroads in the United States, Mr. Culp said: "Well, as compared with the roads of the South and Southwestern territory, the Southern Railway, as a whole, I think, EXCEEDS THE VALUE PER MILE OF THE AVERAGE; as to the roads in the United States, I should say that it is CERTAINLY EQUAL IN VALUE PER MILE TO THE AVERAGE."

We might fill a whole page with the testimony of other prominent railroad experts who swore that the Southern Railway is worth "NOT LESS THAN FORTY THOUSAND DOLLARS PER MILE." With such testimony they have attorneys in North Carolina trying to prevent a just assessment of their property at its "true value in money," and their past course would indicate that they will carry the matter to the Federal Courts if they cannot dictate the value of their property for taxation—and their dictation would mean a valuation of one-third of the price it brings when its stocks and bonds are sold for cash.

Unfortunately we have not the sworn testimony of the officials of any railroad except the Southern as to its true value, but the Commission has the information required by law and will "feed all out of the same spoon," taxing them upon the valuation that sales and earnings show them to be worth.

The threat of injunctions ought not to deter the Corporation Commission from lending a deaf ear to the railroad attorneys. Of course they will ask for an injunction if a fair assessment is made, and while it is pending they will try to effect a compromise by which they will escape just taxation. And they may win and probably would upon the hearing before some of the little subordinate Federal Judges. But, fortunately, the Legislature in enacting a law for the assessment of railroad property followed to the letter the rule laid down by Justice Miller in 92 U. S. p. 601 (not page 275 as incorrectly printed yesterday.) We quote again the rule of Judge Miller. He said:

"It is obvious that when you have ascertained the current cash value of the whole funded debt and the current cash value of the entire number of shares, you have, BY THE ACTION OF THOSE WHO ABOVE ALL OTHERS CAN BEST ESTIMATE IT, ASCERTAINED THE TRUE VALUE OF THE ROAD—all its property, its capital stock, and its franchises—for these are all represented by the value of its bonded debt and of the shares of its capital stock."

The State has also followed the rule laid

down by Justice Brewer when he said: "WHATEVER PROPERTY IS WORTH FOR THE PURPOSE OF INCOME AND SALE IT IS WORTH FOR THE PURPOSE OF TAXATION."

No matter what the little inferior Federal Courts say, when the State of North Carolina goes before the Supreme Court at Washington and establishes that it has enacted laws assessing all property at its "true value in money" and in ascertaining the "true value in money" of railroads it has in every particular followed the plan prescribed by Justice Miller—when this State does that the Supreme Court will refuse to interfere with an assessment made upon the value which cash investors place on the property and which its earnings show it is worth.

THE MOST DELICIOUS FISH KNOWN.

In a delightful letter written from Waynesville Capt. Ashe discusses a question upon which there will be diverse opinions by fishermen and epicures. It seems that before this visit to Waynesville Capt. Ashe had an impression that mountain trout were a myth. Having dined on eighty odd—well he beg pardon, having seen eighty odd which his boys caught, and partaken of a fair portion—he no longer regards them as a myth but says "certainly they justify their reputation, for they are the most delicately flavored of the fishy tribe. In that respect they surpass any other fish I have eaten."

We are not going to take issue with Capt. Ashe on a question upon which he is more competent to speak, seeing that he wrote immediately after enjoying a dinner of delicious mountain trout. Twenty years ago at Waynesville this scribe first sat down to a dish of toothsome mountain trout, and, like John Ridd, "felt to thank God for the room he had inside of him." But may not Capt. Ashe's judgment be somewhat biased by the good taste of the trout that still lingered on his palate as he wrote?

Henry Grady, a few years before his untimely death, visited the Atlantic Hotel at Morehead, and with a party of friends sat down to a supper of broiled Spanish mackerel. He was as enthusiastic over the Spanish mackerel as Capt. Ashe now is over mountain trout and declared that nothing so succulent, so delicious, so palatable could be found on land or sea. In support of his position, Mr. Grady told a story, as well as it can now be recalled, like this: When Howell Cobb was Secretary of the Treasury he was called to New York on business. He was detained long after his usual hour for dining and went into Delmonico's very hungry. As he took his seat, he took a five dollar gold piece out of his pocket, and, handing it to the waiter, said "Bring me the best thing you have in the house." Without a word the waiter retired and soon returned bearing a waiter and silently placed before Georgia's great statesman a dish on which was a succulent hot broiled Spanish mackerel with slices of lemon. He tasted it and it "went to the right spot." He devoured it with zest, and ordered a second dish. When he had finished, he rose to go, and putting a ten dollar gold piece, freshly minted, in the hands of the waiter said: "You are the wisest man in New York because you know what is the best thing in the world."

The difference of opinion between Capt. Ashe on the one hand and Henry Grady, on the other, both accomplished journalists, is not offered here to revive the traditional contest between Eastern and Western North Carolina which raged most disastrously for many years over political questions. If, however, there should arise a controversy between the West and the East over the relative excellence of the mountain trout and the Spanish mackerel, the West has scored first because it has secured the good offices of Capt. Ashe, whose people have always been "down Easters." He will be a tower of strength in support of the mountain trout, and will call in Attorney General Gilmer, Judge Ferguson, W. T. Crawford, W. T. Lee, and a host of others who were brought up on mountain trout to confirm what he has written. Per contra Messrs. James A. Bryan, Winfield Chadwick, John R. Morris, Will Arendell, Geo. N. Ives, and others, backed by Rev. N. M. Jurney, will come up strong in undertaking to prove that Howell Cobb and Henry Grady were better judges of the relative merits of fish than Capt. Ashe or Bob Gilmer. If the controversy waxes warm, this writer offers himself as a competent arbitrator, but gives notice that he will render no decision until all the evidence is in, and that no evidence will be considered until he has been taken by the Westerners to the Waynesville to try the merits of mountain trout and to Morehead by the Easterners to try the Spanish mackerel. It may take several trips and several samples of both before an expert opinion can be rendered, but if the partisans will keep up the controversy and keep up the supply of fish the self-suggested arbitrator, if selected, will be in no hurry to render his award.

Henry Clews figures that the shrinkage in stocks within the past ten days has been two and a half billion dollars. He regards it as "merely a cheerless dawn of the morning after a debauch of six years in Wall Street. But the death knell of combined industrialism is sounding, and there is no reason, with the atmosphere cleared and the wreckage as a warning, to fear any greater demoralization as a result of the present passing flurry."

MICHIGAN AND NORTH CAROLINA.

During the session of the Legislature the railroads brought every influence they could command to alter section fifty. They failed, because the people of North Carolina had virtually instructed their representatives not to touch that section which makes the method of taxing railroads mandatory and just. The Corporation Commission has no discretion except within prescribed limits. They must ascertain the "true value" in money of railroads by the sale of stocks and bonds and the earnings. When, from these two sources, the true value is ascertained, it must go on the tax books. The method is plain and mandatory. The Legislature virtually assessed the railroad property itself, leaving to the Corporation Commission a mandate to add up the figures, ascertain "the true value in money," and put the property on the tax books at the valuation the actual sales and earnings show it is worth.

A few years ago the State of Michigan adopted a plan of valuing railroads for taxation substantially similar to the one under which North Carolina will operate for the first time this year. What was the result? The Railway Age thus gives it:

"By substituting for taxation upon earnings the plan of assessing upon 'actual value' of the property the Tax Commission of Michigan succeeded in raising the amount of tax assessed against the fifty-three big and little railway companies in the State from \$1,483,906 in 1901 to \$2,850,429, an increase of \$1,366,522, or over ninety per cent."

In North Carolina there are 3,681 miles of railroad. The total taxes paid to State, counties, towns, schools, etc., aggregate \$247,262, of which there is paid into the State Treasury \$129,925.01.

In Michigan, which State had before passing the new law taxed the railroads upon a basis nearer their actual value than has prevailed in North Carolina, there are 8,193 miles of railroad. They pay in taxes in that State \$2,850,429.

Here it is: Michigan has two and twenty-two one hundredths (2.22) more miles of railroad than North Carolina, but it receives in taxes from railroads five and one-fifth times as much money as North Carolina.

North Carolina tax-payers all over the State have been compelled to submit to an increase on the assessment of their property. In the city of Raleigh the property has been assessed according to law. We take it that assessors all over the State have complied with their oaths and assessed property at its "true value in money." This being true the railroads ought to be willing to pay taxes at the price which the property brings on the market at the lowest point it has reached in the late slump in Wall Street. The Corporation Commission ought not and will not assess railroad property at the figures stocks and bonds brought on the tidal wave. The fair way would be to strike an average between the highest and lowest notch. Probably the best way, all things considered, is to assess it at the lowest notch it has reached on any bona fide sales recorded on the markets.

North Carolina now has as good a taxing law as Michigan, and if its officials follow it strictly railroad property will be assessed this year for the first time in the history of the State at its "true value in money." The law in North Carolina is based upon the language used by Justice Miller, who, speaking for the United States Supreme Court in the Tax Cases 22 U. S. 275, said:

"It is obvious that when you have ascertained the current cash value of the whole funded debt and the current cash value of the entire number of shares, you have, BY THE ACTION OF THOSE WHO ABOVE ALL OTHERS CAN BEST ESTIMATE IT, ASCERTAINED THE TRUE VALUE OF THE ROAD—all its property, its capital stock, and its franchises—for these are all represented by the value of its bonded debt and of the shares of its capital stock."

The above rule laid down by Justice Miller was put into our statute under which the Corporation Commission must make the assessment. To virtually the same effect, in Express Co. vs. Ohio, 166 U. S. 185, Justice Brewer said:

"WHATEVER PROPERTY IS WORTH FOR THE PURPOSE OF INCOME AND SALE IT IS WORTH FOR THE PURPOSE OF TAXATION."

If those railroad attorneys and officials who are haunting the offices of the Corporation Commission this week will read the rule laid down in section fifty (which they tried to seduce the Legislature into repealing) in connection with the utterances of Justices Miller and Brewer they will see that an end has come to the old slipshod method of taxing railroads that has heretofore prevailed in North Carolina. The new system has no elasticity but is one where the rule is enforced that "whatever property is worth for the purpose of income and sale it is worth for the purpose of taxation."

TAXED AT ONE THIRD OF ITS VALUE.

The report of the Corporation Commission for the year 1902, shows that there are 1,289.26 miles of railroad belonging to or leased by the Southern Railway in North Carolina. They are assessed for taxation at \$15,825,677.50, or an average of \$12,275 per mile. The officers of the Southern Railway in less than a year, have sworn that the Southern Railway is worth "at least" forty thousand dollars a mile. The Corporation Commission might do

well to accept the sworn testimony, offered at Danville, Va., by the vice-president of the Southern as to its value. If they swore to the truth—and they did swear to the approximate truth—the Southern Railway is taxed at less than one-third of its value. This property is shown by the actual sales for cash on the stock market to be worth at the very lowest \$32,235 a mile, whereas it is paying tax in North Carolina on an assessment of \$12,275 a mile.

The Corporation Commission, in its circular letters and in their addresses to tax assessors all over the State, urged upon them a faithful and fair carrying out of the law, which requires all property to be assessed at its "true value in money." When the Commission, following out the rule it laid down for assessors, places the Southern Railway property on the tax lists at \$32,235 a mile, and all property of other railroads at the value ascertained in the same way, nobody will have a right to complain. The law is plain and mandatory.

North Carolina was compelled to issue \$300,000 of bonds this year, because railroad and other like quasi public property was assessed far below its true value in money. The railroads have contended that there has been heretofore a custom to assess private property at only two-thirds of its real value. If their contention were true, the Southern Railway has been assessed at only one-third of its true value in money, whereas, according to their statement private property has been assessed at two-thirds its true value in money. This shows that the bond issue of \$300,000 would have been avoided if railroad property had been assessed as private property has been assessed.

Shall we have continuous bond issues, or shall the railroads be assessed at their true value in money as the law plainly requires?

We trust that the Corporation Commission will not listen to the specious pleas at high-priced railroad lawyers—including those lawyers who do not avow their attorneyship for railroads, and assume to speak for the "good of the party." The Corporation Commission is a court. It cannot and will not pay any attention to any attempt to induce them to make an assessment otherwise than according to the plain and mandatory word contained in old section fifty.

The Commission and the people will remember that the railroads fought to strike out section 50 and met a Waterloo. They now hope by fallacious reasoning to get the Commission to go back to the old plan by which railroads escaped two-thirds of their just burden of taxation. They could not control the Legislature. They cannot control the Commission. The people demand only that this property shall be assessed exactly at the figure which it brings in the open market—anything less is to saddle tax burdens upon other tax-payers which the railroads ought to bear; anything more would be unjust to the railroads and contrary to the spirit of North Carolinians.

NEGRO MOVEMENT NORTHWARD

Out of the 8,849,739 negroes in America, only 737,003 live in the eighteen Northern States that have the largest negro population. The negroes who have moved North have all gone to the cities. They go almost wholly to the large centres where they obtain employment as domestic servants. In 31 of the 67 counties in Pennsylvania the census shows there was a decrease in the negro population. Of the 49,219 increase, 37,191 is confined to Pennsylvania . . . 156,815 107,506 47,209 New York . . . 99,252 70,992 28,166 the cities of Philadelphia, Pittsburgh and Allegheny City. In New York twenty-five counties out of sixty show a decrease in negro population. In Ohio and Illinois the same is true—there is a decrease in negro population except in the largest cities. New Jersey is an exception, every county in the State showing negro gains, the largest being in those having big cities. Most North Carolina negroes who have gone North have found employment in New Jersey.

The population tables do not bear out the notion that there is a marked movement of negroes North. Within ten years the gains in eighteen States is as follows.

State:	1900.	1890.	Gain.
Ohio	96,991	87,143	9,878
Illinois	85,078	57,028	28,050
New Jersey	69,844	47,630	22,216
Indiana	57,505	45,215	12,290
Kansas	52,093	49,710	2,383
Massachusetts	31,374	22,144	9,230
Michigan	15,916	15,223	593
Connecticut	15,236	12,392	2,844
California	11,045	11,222	*277
Rhode Island	9,092	7,235	1,857
Colorado	8,579	6,215	2,365
Nebraska	6,209	8,913	*2,704
Minnesota	4,359	3,583	776
Wisconsin	2,512	2,444	68
Maine	1,319	1,190	129

Totals 737,003 565,908 171,095

*Decrease.

These figures will surprise all who have believed that the Northern movement of negroes was very large.

A Kansas jury has given a verdict for \$400 damages to a man whose neighbor called him "a Kansas jackass." The other man has appealed the case on the ground that it is not slanderous to the average man to call him after a jackass who has the advantage of a Kansas training. It was the "Kansas" jackass that was the worst part of it. Nobody would take offense, for instance, if called a Rhamkatte jackass, for they are of the Balaam class, intelligent, pious and useful.—Rhamkatte Roaster.

Most women can put up with a good deal in this world if their husbands will put up for it.

WILL BE PERMANENT.

The session of the Summer School conducted at the A. and M. College, from an end yesterday. It has been a success in every way. It has brought together several hundred of the brightest State-men and women who have dedicated their lives to the education of children. While they have been here they have been helped by their professors. They have made July the pleasantest month of the year and brought entertainment, instruction and diversion to all the people who have been wise enough to attend the lectures and entertainments. They have brightened the month.

The instruction has been of a high order. The success of the school has demonstrated that right here at home we have talent second to none. This is not only done faithful and earnest work, but the instructors have stimulated the teachers with a new zeal and enthusiasm and inspired them with a noble conception of their high calling. The term of this Summer School will be to every school touched by its 3000 pupils.

The people of Raleigh say "Good bye" to the teachers—particularly the beautiful woman pedagogues—who have gone. They are all as much in love with Raleigh as Raleigh is in love with them, and that when the Summer School, 1904 opens everyone of them will have their names on the roll.

The school will be permanent. With any money and with nothing but love and ability to teach, the instructors have made this school an institution of which all Raleigh is proud. It behooves the people to show deeper interest in the plan for the coming year to the end that the attendance will number not less than 3000. In every way the school is a blessing to Raleigh and the good people of this State should unite in holding up the hands of the progressive instructors who have done a great work in establishing what is destined to be one of Raleigh's most cherished and useful institutions.

ASSET CURRENCY.

In 1896 we were told that there was plenty of money in circulation. Mr. Charles, Comptroller of the Currency, declared the country was suffering with a "thorax of currency." The Democrats declared that better times could not come without more money, and they looked to see the free coining of silver supply the additional need, not believing that enough new gold would be discovered to give the necessary increase in money. The result was not given free coining of silver but it never took a step toward improvement until the discoveries of gold in Alaska and South Africa put more gold in circulation than the mints could have coined of silver, coupled with the demand for all supplies which the Spanish-American war supplied. This demonstrates the wisdom of the fundamental Democratic declaration at Chicago which was, not primarily for free silver coinage, but for an increase in the volume of money.

There is a demand now for more money. That demand is in part well founded. What sort of additional money shall we have? Of course free silver is impossible. Two national elections have settled the question and it is not now an open one. The big banks demand an "asset currency" whereby they may issue a certain amount of money upon the amount of their capital stock. The limit of 100 per cent. posed sound very good. They are 100 per cent. but the principle is wholly wrong and full of danger. It would result in money, pure and simple, ten fold more than government fiat money, in that it would be the fiat money of banks and might become bankrupt. A National banker takes this view of it:

"The silver dollar which we conditioned had nearly fifty cents' worth of silver in it, but the asset currency which they propose may be absolutely worthless. Let the Democratic party to protect the country from bad money. Is the Republican party going to reward me with its currency, which is infinitely worse than silver?"

This banker evidently thinks that he has been the victim of misplaced confidence.

JUSTICE IS THE LAST THING WANTED.

The Greenville Reflector evidently understands the Southern Railway managers when it says the last thing it wants is justice. What it wants is the earth and a barbed wire fence around it. There has been shown in plenty of ways how they played the hog in the Durham depot matter. It's attitude there is that they will give Durham a depot if it is permitted to drive a competing road out of town. They refused a monopoly, it attacks the law of the Fuller bill and shows its contempt of North Carolina laws and North Carolina courts by going into the Federal court. It has had quite a hand in getting some Federal court judges, in fact for the \$250,000 it put up to help out McKinley.

Joseph Husted is busted. A few years ago he sold his magnificent farm in New York to Rockefeller. With the proceeds he went into Wall Street speculation. Now he went to the poor-house. He fabula doct.

Henry Clews gives it as his opinion that the day of the J. Pierpont Morgan is over, once and for all. He thinks the financial schools "have closed for a long vacation." So mote it be.